THE MINISTER OF STATE IN THE MINISTRY OF COMMUNICATIONS (SHRI TAPAN SIKDAR): (a) Yes, Sir. The article appeared in India Today, March 27, 2000.

(b) and (c) Cabinet, in its meeting held on 19th January, 2000 approved the proposal for Incorporation of Sankhya Vahini India Limited (SVIL), a joint venture company in India, under Indian Companies Act, 1956, by DTS (Government of India) with IUNet Inc. (a company incorporated by Carnegie Mellon University of USA) and other shareholders (Department of Electronics (MIT); and Indian Educational Institutions such as IIT, Mumbai and Chennai; IISC, Bangalore and IIT, Hyderabad whose participation is approved by Minsitry of Human Resource Development).

(d) The proposed Indian equity is as follows:—

Department of Telecom Services	:	45%
Educational Institutions	:	4%
Department of Electronics(MIT)	:	2%

The IU Net equity will be 49%.

The management of SVIL will be through a Company Board with equal number of representation from DTS & IU Net, amongest others. A qualified professional shall be appointed by the Company Board as Managing Director of the Company for managing the business affairs of the company under the supervision, control and direction of the Board.

(e) and (f) CMU is an outstanding research university with many achievement in Information Technology to its credit. While the equipment may be procured from among available vendors. IUNet brings with it the knowledge of CMU in the areas of high speed networking and computing, which are essential before the proposed high speed data equipment can be put to effective use.

MoU between DoT and IU Net for Sankhya Vahini Project

3243. SHRI NILOTPAL BASU: Will the Minister of COMMUNICATIONS be pleased to state;

(a) whether Government are aware of the news-item captioned 'Giga-Deal in trouble' published in India Today of March 17th, 2000;

(b) if so, whether the MoU for the Sankhya Vahini project between the

Department of Telecom and the IU Net was signed on 16th October, 1998 in Washington DC;

(c) if so, whether the IU Net company was in existence with the appropriate agencies in the US on that date;

(d) if so, the details of the incorporation of the company like names and addresses of the Board of Director's equity pattern; Net worth etc; and

(e) if not, the reasons for the MoU and its legal validity?

THE MINISTER OF STATE IN THE MINISTRY OF COMMUNICATIONS (SHRI TAPAN SIKDAR) (a) Yes, Sir. The news item appeared in India Today of March 27, 2000.

(b) Yes, Sir.

(c) and (d) Carnegie Mellon University (CMU) had the name IUNet Inc. reserved with them on the date of signing the MoU. The Articles of Incorporation were signed on January 6, 1999 and filed on January 8, 1999.

According to available information as per established corporate custom in US, a corporation, one its name is reserved, starts business under that name for negotiation and developing business case even before that Articles of Incorporation are signed and filed with Department of State. Dr. Raj Reddy Signed the MoU, both as the Chairman of the Company whose name was reserved and as the Dean, School of Computer Science, CMU.

List of the Directors and officers of IUNet Inc.:

Dr. Raj Reddy	Chairman	University Professor of Computer Science and Robotics. The School of Computer Science, Carnegie Mellon University and Co-Chair of President Clinton's Information Technology advisory Committee.
Dr. Paul Christiano	Director	Provost, Carnegie Mellon University
Mr. Jeffery W. Bolton	Director	VP for Business and Planning and CFO, Carnegie Mellon University.

Dr. V.S. Arunachalam	President and Chief Executive Officer	Distinguished Services Professor, Department of Engineering and Public Policy, Department of Materials Science and Engineering, Robotics Institute, Carnegie Mellon University.

IUNet is a special purpose vehicle established by CMU as a Subsidiary for this joint venture. It is a 100% subsidiary of GUNet, which is a 100% subsidiary of CMU. Capitalization of IUNet will be done ensuring CMU retains majority voting rights in IUNet for a period of five years from the signing of Joint Venture agreement regarding Sankhya Vahini India Limited.

(e) Doesn't arise in view of (c) & (d) above.

Revenue shortfall in DoT

3244. SHRI PARMESHWAR KUMAR AGARWALA: Will the Minister of COMMUNICATIONS be pleased to state:

(a) whether it is a fact that 10 present revenue shortfall is estimated in the operations of Department of Telecommnications in the current Financial year;

(b) if so, what are the factors responsible for this shortfall; and

(c) whether this trend is likely to continue in the next financial year?

THE MINISTER OF STATE IN THE MINISTRY OF COMMUNICATIONS (SHRI TAPAN SIKDAR) (a) Available data indicate that reduction in revenue of the Department of Telecome services (including MTNL) due to tariff re-balancing in the financial year 1999-2000 is likely to be approx. Rs. 2,000 crores.

(b) The shortfall is due to introduction of new tariff structure by TRAI.

(c) The trend of revenue shortfall attributable to tariff rebalancing is likely to continue in the financial year 2000-2001.

Decrease in the number of VSNL subscribers

3245. SHRI SANJAY NIRUPAM: Will the Minister of COMMUNICATIONS be pleased to state: